

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

HEARING ROOM A  
CALIFORNIA ENERGY COMMISSION  
1516 NINTH STREET  
SACRAMENTO, CALIFORNIA

WEDNESDAY, AUGUST 29, 2001  
10:00 a.m.

Reported By:  
Valorie Phillips  
Contract No. 150-01-006

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMISSIONERS PRESENT

William J. Keese, Chairman

Robert Laurie

Michal Moore

Robert Pernell

Arthur Rosenfeld

James Boyd, Ex Officio Member

STAFF PRESENT

Steve Larson, Executive Director

Bill Chamberlain, Chief Counsel

Paul Richins

Cheri Davis

Daryl Mills

Matt Trask

Al Garcia

PUBLIC ADVISER

Roberta Mendonca, Public Adviser

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

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## 1 P R O C E E D I N G S

2 CHAIRMAN KEESE: Call this meeting of  
3 the Energy Commission to order.

4 Commissioner Rosenfeld, would you please  
5 lead us in the Pledge.

6 (Thereupon, the Pledge of Allegiance  
7 was recited in unison.)

8 CHAIRMAN KEESE: Good morning, everyone.  
9 Before we start our formal agenda, I'd  
10 like to ask Daryl Mills to come forward. And I'd  
11 like Mr. Tony Wong to join Daryl.

12 MR. MILLS: Good morning, Commissioner.

13 CHAIRMAN KEESE: Mr. Mills, do you have  
14 anything to tell us?

15 (Laughter.)

16 MR. MILLS: Yes, I do. Today we're  
17 going to present an award to Tony Wong for his 25  
18 years' faithful service with the State of  
19 California.

20 Tony has been a professional engineer  
21 with the Commission for 20 years, 20 years and  
22 nine months. He's worked in a lot of programs.  
23 During the 1980's, he was a critical staff member  
24 in the development of our Biomass Program. He's  
25 managed and started our Farm Energy Program, which

1 still runs today. He's worked in support of the  
2 Building Standards, in support of the Energy  
3 Partnership Program, Bright Schools Program. He's  
4 been a real valuable employee to the Commission.

5 I and my colleagues really have  
6 appreciated working with Tony, and it's a pleasure  
7 to give him this award. His attitude has just  
8 been exemplary. He reflects the highest standards  
9 of the Energy Commission, I think, as an employee,  
10 and I think it's really important that the state  
11 recognize him.

12 I'd like to ask Bill Keese to come down  
13 and present the award for a photo opportunity.

14 (Laughter.)

15 COMMISSIONER PERNELL: This is a photo  
16 op for who?

17 (Laughter.)

18 CHAIRMAN KEESE: Congratulations.

19 (Applause.)

20 CHAIRMAN KEESE: Speech, speech.

21 (Laughter.)

22 CHAIRMAN KEESE: Thank you, Mr. Mills.

23 We have a -- our first four items deal  
24 with peaker plants. Before we start those, Mr.  
25 Richins, would you explain to the Commission the

1 standards under which you are reviewing projects  
2 such as Items 1 and 3, that we see before us?

3 MR. RICHINS: Yes. I'd like to take --  
4 good morning. My name is Paul Richins. I'm --

5 CHAIRMAN KEESE: Well, you've got to get  
6 pretty darn close to that microphone.

7 MR. RICHINS: My name is Paul Richins.  
8 I'm the Energy Facilities Licensing Program  
9 Manager here at the Commission.

10 Due to the high level of activity that  
11 we're experiencing in applications for the four-  
12 month process, Bob Therkelsen thought it might be  
13 appropriate for me to come down and provide a  
14 general overview of the direction that we're  
15 taking as it relates to data adequacy on these  
16 four-month projects.

17 Since AB 28x passed in May, we've  
18 received eight filings for a decision on an AFC  
19 within the four-month process. Today, you'll be  
20 getting involved in two -- two others. But  
21 because of this activity, and we're also  
22 anticipating approximately 10 to 15 more being  
23 filed by the end of the year, that we thought it  
24 would be appropriate to just go over some of the  
25 things that we're doing, just real quickly.

1                   The idea behind the four-month process  
2           in the legislation was to provide an expedited  
3           process for certain simple cycle projects.  
4           Basically, projects that would have little impacts  
5           on public health and safety, few environmental  
6           impacts, and no impacts to the electrical system.

7                   The legislation requires that for  
8           projects to qualify, they must not be a stationary  
9           source, must not be a major stationary source.  
10          They must use BACT to control air emissions, not  
11          have a significant adverse impact on the  
12          environment, and not impact on the electrical  
13          system. They must have a contract for adequate  
14          supply of skilled labor, and they must convert  
15          from simple cycle mode to combined cycle or  
16          cogeneration within three years.

17                   CHAIRMAN KEESE: And that's all in the  
18          statute, Paul.

19                   MR. RICHINS: That's correct. That was  
20          basically the points that are articulated in SB  
21          28x and in Public Resource Code 2552.

22                   Also, that was in a statute, there was a  
23          requirement that at the time of filing, applicants  
24          provide assurances and conditions of certification  
25          that certain things are met. One, that there are

1 no significant environmental impacts. Two, there  
2 are no public health and safety impacts; there are  
3 no impacts to the electric transmission system;  
4 and that the project complies with all state,  
5 local, and federal laws and regulations.

6 This would be BACT, as an example, in  
7 air quality, require all the air quality rules.  
8 It would mean zoning, that the land was zoned  
9 appropriately. Endangered species, the federal  
10 law on biological resources, and so forth.

11 What we are doing to try to ensure that  
12 we can make these findings and that the project  
13 will not have any of these impacts, that during  
14 the 15 days of data adequacy we're looking to the  
15 Applicant for conditions of certification in their  
16 application, as well as any written assurances  
17 from other parties, such as the city and county,  
18 such as U.S. Fish and Wildlife Service, and any  
19 other parties, so that we can feel comfortable  
20 that any issues that might come up during the case  
21 can be effectively managed and resolved in that  
22 short four-month time period.

23 To give you some examples of some of the  
24 things that we're dealing with, is that some of  
25 the projects have the potential for impacts to



1       endangered species. This would require a U.S.  
2       Fish and Wildlife consultation. In those  
3       situations, we would ask for written assurances  
4       from U.S. Fish and Wildlife Service that they  
5       could process their paperwork and their work  
6       within our four-month process.

7               Projects that may negatively impact the  
8       system, we've received some in that situation  
9       where there's transmission upgrades that are  
10      necessary. Projects -- and you'll hear a little  
11      bit about this later -- projects that are on ag  
12      land that is in the Williamson Act, those are very  
13      difficult issues for us to deal with in a four-  
14      month process.

15             And then projects that are not zoned  
16      that would require a zoning change. In that  
17      particular case we would be asking for the city or  
18      county that's responsible for the zoning decision  
19      to provide us with a clear path on how they plan  
20      to move from the current zoning to the end product  
21      of changing their zoning laws so that the project  
22      is in compliance with the -- the city or county's  
23      zoning requirements.

24             CHAIRMAN KEESE: Do we have any  
25      applications now where you have a Williamson Act

1 contract?

2 MR. RICHINS: Yes. The -- the way we're  
3 working with the developers on this is where we  
4 have identified such things, or where they have  
5 identified, whether zoning or transmission and so  
6 forth, we are meeting with the Applicants and  
7 trying to secure the necessary assurances so that  
8 there is a clear path, so that we can fairly  
9 manage the project in the four-month process.

10 If it becomes evident to us in the data  
11 adequacy phase, and there is also an opportunity  
12 after the first 25 days of the issuance of the  
13 data adequacy determination, we would make a  
14 recommendation that it may be not appropriate to  
15 be in the four-month process because there's just  
16 too many difficult issues to deal with in a short  
17 time. So we would be probably recommending on  
18 some of these eventually that they go into the 12-  
19 month process.

20 But that would be our approach, that if  
21 -- if we can't see a clear path of resolution  
22 within the four-month process, that we would be  
23 suggesting consideration for the 12-month process.

24 CHAIRMAN KEESE: Thank you. Any  
25 questions?

1                   COMMISSIONER PERNELL: I have one. Do  
2 we have any in the four-month process that involve  
3 the Coastal Commission?

4                   MR. RICHINS: I don't believe so. We  
5 have some in our 12-month process, but not in the  
6 four-month process.

7                   CHAIRMAN KEESE: Thank you.

8                   Then I will announce Item 1, South Star  
9 Power Project. Commission consideration of the  
10 Executive Director's Data Adequacy Recommendation  
11 for the South Star Power Project Application for  
12 Certification.

13                   Good morning.

14                   MR. TRASK: Good morning, Commissioners.  
15 I'm Matt Trask, the Project Manager for the South  
16 Star Cogeneration Project.

17                   I have with me Dave Mundstock, who is  
18 the project attorney, and also the Applicant is  
19 here, and probably would like to make a short  
20 introductory statement.

21                   South Star Cogeneration Project consists  
22 of two essentially identical 100 megawatt  
23 cogeneration projects, located about a mile and a  
24 half apart in the oilfields of Western Kern  
25 County. We were asked to do a short presentation

1       on why this project would come under one AFC  
2       rather than two.

3               The main reason is because of the common  
4       traits that these two projects share. They have  
5       nearly identical equipment and configuration.  
6       They share a common transmission corridor, natural  
7       gas pipeline, and water supply source. And both  
8       sites have common ownership and operation, and  
9       both sites would provide steam to Texaco as a  
10      common steam host for use in EOR operations,  
11      Enhanced Oil Recovery operations.

12             COMMISSIONER LAURIE: If at some point  
13      in time it's determined that one site has an  
14      environmental challenge that the other site does  
15      not, you can easily modify the project  
16      description, can you not?

17             MR. TRASK: Correct. In fact, the  
18      Applicant has given us the -- the AFC such that we  
19      could easily remove one of the facilities from our  
20      analysis.

21             Concerning data inadequacy, we are  
22      recommending that the Energy Commission find the  
23      AFC inadequate at this point and adopt the list of  
24      deficiencies contained in our worksheet package.  
25      The project is data inadequate in 15 or 23

1       technical areas. However, the vast majority of  
2       those are minor and informational in nature.

3               We have two relatively major problems  
4       with this project. One of them is the schedule.  
5       The -- as proposed in the AFC, it is two  
6       facilities with four CTGs, 25 megawatts apiece.  
7       Right now the Applicant can only give us assurance  
8       that two CTGs at each facility would be started up  
9       by the end of next year.

10              This does not appear to meet the  
11       requirements for the four-month project from a --

12              CHAIRMAN KEESE: The end of next year,  
13       meaning the end of 2002?

14              MR. TRASK: Correct, sir.

15              The other problem with this project is  
16       in order -- our preliminary transmission analysis  
17       shows that in order to get the maximum power out  
18       of this project, which would be approximately 220  
19       to 230 megawatts, it appears that the -- at least  
20       13 transmission line segments scattered throughout  
21       the network in that area would have to be  
22       upgraded. We don't have any information on these  
23       upgrades as -- at this point.

24              PG&E is conducting the transmission  
25       interconnect study. That is expected to be done

1 on September 12th. We cannot find this project  
2 data adequate until we have that study.

3 The Applicant, Rolls-Royce Power  
4 Ventures, is aware of these problems, and will  
5 address both the schedule and the need for these  
6 transmission upgrades in a supplement to the  
7 Commission, to the AFC. And we have scheduled a  
8 technical conference with the Applicant so that we  
9 can provide feedback to them and give guidance on  
10 possible solutions to these -- these problems.

11 CHAIRMAN KEESE: Thank you. Are you --  
12 you indicating when we might revisit this?

13 MR. TRASK; I believe that we can make  
14 the mid-September Business Meeting. I forget what  
15 date that is, I think it's the 13th.

16 CHAIRMAN KEESE: There's a September 12,  
17 there's a September 19, there's a September 26.

18 MR. TRASK: I -- possibly we could make  
19 the 12th, but I would say more likely the 19th, or  
20 perhaps the 26th.

21 CHAIRMAN KEESE: Thank you.

22 Could we hear from the Applicant.

23 MR. GALATI: Yes. Mr. Chairman, Members  
24 of the Commission, my name is Scott Galati, and I  
25 represent South Star Cogeneration Company, which

1 is wholly owned by Rolls-Royce Power Ventures.  
2 I'd like to introduce at this time my client, to  
3 my left, Mr. Ron Kiska.

4 MR. KISKA: Thank you very much. A  
5 pleasure being here.

6 I'd like to thank the CEC Staff for the  
7 very thorough review and evaluation of our  
8 application, gave us clear information as to where  
9 we are deficient in our application. We are  
10 committed to this project. We look forward to  
11 meeting with the Staff. We believe that we can  
12 resolve these issues in very, very short order, to  
13 satisfy all of Staff's concerns and get a data  
14 adequate recommendation, and we look forward to  
15 that.

16 CHAIRMAN KEESE: A question that seems  
17 rather obvious. Are you using Rolls Royce  
18 engines?

19 MR. KISKA: Yes, we are.

20 CHAIRMAN KEESE: It would seem, in that  
21 regard, that you could probably handle that  
22 problem of engine availability.

23 MR. KISKA: Yes.

24 CHAIRMAN KEESE: Thank you.

25 Any other questions?

1 COMMISSIONER PERNELL: I have one.

2 CHAIRMAN KEESE: Commissioner Pernell.

3 COMMISSIONER PERNELL: Staff has  
4 indicated that the -- there's a study coming out  
5 in mid-September from PG&E?

6 MR. TRASK: Yes, sir, September 12th.

7 COMMISSIONER PERNELL: So given that,  
8 there's no way that this project can come back  
9 before us before the study, or where are we with  
10 that? Do you know whether or not they are on  
11 schedule, or can you address that?

12 MR. GALATI: Yes. Yes. Commissioner  
13 Pernell, as -- as many applicants have had  
14 difficulty getting the studies out of the  
15 transmission owners quickly, what many applicants  
16 have done, and this Applicant has done, is hired a  
17 transmission consultant to take the PG&E model and  
18 provide some level of information to the Energy  
19 Commission.

20 What we expect the PG&E study to do is  
21 to confirm what has been provided to the Energy  
22 Commission, as well as provide information that  
23 could not be developed by the consultant on their  
24 own. We -- we understand and believe that that is  
25 on schedule, and we hope that through the



1 workshop, in possibly reconfiguring the project to  
2 address the transmission upgrades, and whether  
3 they'll be needed at all, we hope that -- that the  
4 study will confirm at least one of the projects  
5 and how that project would be configured. And I  
6 think we'll address most of Staff's concerns that  
7 way.

8 So we feel very confident that when that  
9 study is out it will give us enough time to come  
10 back very quickly for data adequacy.

11 CHAIRMAN KEESE: Any other questions?

12 Do I have a motion?

13 COMMISSIONER LAURIE: Move to adopt  
14 Staff recommendation.

15 CHAIRMAN KEESE: Commissioner Laurie  
16 moves.

17 COMMISSIONER ROSENFELD: Second.

18 CHAIRMAN KEESE: Commissioner Rosenfeld  
19 seconds, that we adopt the Staff's recommendation  
20 of data inadequacy.

21 All in favor?

22 (Ayes.)

23 CHAIRMAN KEESE: Opposed?

24 Thank you.

25 COMMISSIONER LAURIE: Mr. Chairman, the

1       --

2                   CHAIRMAN KEESE:   The --

3                   COMMISSIONER LAURIE:   I'm sorry.   The  
4       record should reflect the Executive Director's  
5       recommendation, rather than Staff.   Thank you.

6                   CHAIRMAN KEESE:   Thank you for that  
7       editorial change.

8                   Item 2, then, is over.

9                   Item 3, Tracy Peaker Project.  
10       Commission consideration of the Executive  
11       Director's data adequacy recommendation for the  
12       Tracy Peaker Project Application for  
13       Certification.

14                   Good morning.

15                   MS. DAVIS:   Good morning.   My name is  
16       Cheri Davis, and I'm the Project Manager for this  
17       case.   Behind me is Kerri Willis.   She is the  
18       Staff attorney for this project.

19                   On August 16th, GWF Energy filed an  
20       Application for Certification of a 169 megawatt  
21       natural gas fired simple cycle power plant, to be  
22       located in San Joaquin County, just west of the  
23       City of Tracy.   The Applicant is applying under  
24       the four-month certification process.

25                   On its review, Staff finds the

1 application inadequate in 11 out of 23 subject  
2 areas. The major inadequacies relate to the four-  
3 month requirement. The application fails to meet  
4 those requirements as follows.

5 Pursuant to a contract with Department  
6 of Water Resources, the Applicant intends to  
7 operate this plant in simple cycle mode for a  
8 period of ten years. This is inconsistent with  
9 the current requirements for the four-month  
10 process, but we do understand that there is  
11 legislation in the works to change that.

12 There are also biological issues. The  
13 project will impact state and federally listed  
14 endangered species, but the Applicant has -- has  
15 not produced incidental take permits for this  
16 project.

17 The Applicant will need to provide  
18 assurances from San Joaquin County, the California  
19 Department of Fish and Game, and U.S. Fish and  
20 Wildlife Service, that a biological resource plan  
21 developed by the county can cover this project.  
22 Alternatively, the Applicant would need to provide  
23 a biological opinion and take permit, a process  
24 that would delay the project by at least six  
25 months.

1                   Finally, there are some land use issues.  
2           The site proposed by the Applicant is on prime  
3           agricultural land, and has a contract under the  
4           Williamson Act. The Applicant needs to  
5           demonstrate that the issue with the Williamson Act  
6           can be resolved.

7                   Further, the Applicant must propose  
8           mitigation for its use of prime agricultural land.  
9           Also related to land use, it appears that the  
10          property is not zoned appropriately for this land  
11          use, which would mean that this is inconsistent  
12          with local LORS. The Applicant must resolve this  
13          issue, and -- in order for Staff to determine that  
14          this project would be consistent with local LORS.

15                  Staff will be meeting with the Applicant  
16          after this meeting to ensure that they understand  
17          what they need to provide in order to address  
18          these inadequacies.

19                  CHAIRMAN KEESE: Thank you.

20                  Mr. Galati.

21                  MR. GALATI: Yes. Members of the  
22          Commission --

23                  CHAIRMAN KEESE: Sounds like it's a  
24          hurdle race, instead of a sprint.

25                  MR. GALATI: I will introduce, to my

1 left, Doug Wheeler, who's been before you at least  
2 a couple of times already this year with projects  
3 with GWF Power Systems.

4 MR. WHEELER: Good morning,  
5 Commissioners. My name is Doug Wheeler, I'm Vice  
6 President for GWF, and will be the Project Manager  
7 for the Tracy Peaker Project before you this  
8 morning.

9 GWF is a California based independent  
10 energy producer that has been generating  
11 electricity in California since 1982. We  
12 currently have a total of six operating facilities  
13 in California, with a combined generating capacity  
14 of 130 megawatts.

15 In May of this year, GWF entered into a  
16 contract with the California Department of Water  
17 Resources that included three projects. The first  
18 of these projects, a 95 megawatt Hanford Energy  
19 Park Peaker, was licensed by this Commission in  
20 late May, under the 21-day emergency siting  
21 regulations. I'm happy to report this morning to  
22 the Commission that the Hanford facility will  
23 begin operation on September 2nd.

24 GWF is fully committed to the  
25 construction and commissioning of the Tracy Peaker

1 Project on an aggressive development schedule, to  
2 meet California's critical energy needs for the  
3 summer of 2002. Several important steps have been  
4 taken to ensure that we can meet this schedule.

5 As I previously stated, we've entered  
6 into a contract with DWR that establishes a  
7 commercial operating date for this project of July  
8 of 2002. In addition, we have purchased those  
9 time critical components for the project,  
10 including the gas turbines, air pollution control  
11 equipment, emission reduction credits. To date,  
12 we've committed over \$60 million to the project.  
13 We have entered into an EPC contract for the  
14 project.

15 We're employing the same experienced  
16 team of engineers, consultants and legal counsel  
17 that successfully developed the Hanford Energy  
18 Park Peaker, including URS, Black and Veach, and  
19 Grattan and Galati.

20 We recognize that the schedule we are  
21 proposing is very aggressive, but at the same time  
22 it's consistent with the goals set by our governor  
23 to license and construct new generation in the  
24 state by 2002.

25 We look forward to working closely with

1       your Staff to respond to the data adequacy issues  
2       that have been raised in a timely fashion, and to  
3       do everything we can to accelerate the review of  
4       this very important project.

5               And, in addition, I would like to thank  
6       the Staff for a very complete and diligent review  
7       of the application, and I think that they have  
8       provided the direction that we would need to  
9       respond to these questions in a -- in a timely  
10      fashion.

11             One issue that was raised by Mr.  
12      Richins, regarding the Williamson Act. As the  
13      Project Manager indicated, the proposed project  
14      site is on a Williamson Act parcel under contract.  
15      There are a couple things I wanted to mention.  
16      The non-renewal for this parcel was filed in March  
17      of 1992, which means the contract comes off in  
18      March of 2002. The county has reviewed this, and  
19      is in the process of preparing compatibility  
20      findings for the project, consistent with what  
21      they believe the requirements of the act are.

22             So on the Williamson Act, we think that  
23      we can respond to Staff's concern regarding  
24      Williamson Act issues.

25             Thank you.

1 CHAIRMAN KEESE: Thank you.

2 COMMISSIONER LAURIE: Question, Mr.  
3 Chairman.

4 CHAIRMAN KEESE: Commissioner Laurie.

5 COMMISSIONER LAURIE: The existence of  
6 an ag contract does not necessarily automatically  
7 prohibit a non-act use. That is to say, you have  
8 to look at not only the Williamson Act itself, but  
9 more predominantly the city or the county zoning  
10 requirements. So, and if you -- if you have to  
11 cancel your contract, always a challenge to do.  
12 So the question of compatibility is crucial, and  
13 -- and clearly, that answer is found in the local  
14 zoning ordinances. And it looks like we have  
15 somebody that knows a little bit about that.

16 So it's either doable or not doable,  
17 depending upon what the local jurisdiction tells  
18 you, and that information should be available  
19 soon, I would anticipate.

20 MR. WHEELER: That is correct,  
21 Commissioner. And the -- this use is consistent  
22 with the Ag 40 zoning. And the county believes  
23 that the zoning tied in to the Williamson Act  
24 finding requirements for compatibility is the --  
25 is the way to approach the issue.



1                   COMMISSIONER LAURIE: That -- that's  
2 fine. Just generally speaking, I have no idea how  
3 a local jurisdiction assesses a power plant on ag  
4 land that's under Williamson Act contract. And so  
5 that'll be intriguing. It's not our -- our  
6 business, but it'll make for an interesting  
7 project.

8                   MR. WHEELER: Thank you.

9                   CHAIRMAN KEESE: Any other questions?  
10 Do I have a motion?

11                  COMMISSIONER MOORE: Move the Executive  
12 Director's recommendation.

13                  COMMISSIONER PERNELL: Second.

14                  CHAIRMAN KEESE: Motion by Commissioner  
15 Moore, second by Commissioner Pernell.

16                  All those in favor?

17                  (Ayes.)

18                  CHAIRMAN KEESE: Opposed?

19                  Over. Thank you.

20                  Do we have a -- are we looking at a  
21 date, or is this -- this one's just wide open?

22                  MR. WHEELER: We would like to respond  
23 to the Staff issues, and we'd like to try to make  
24 the -- your meeting on the 12th, if that's doable.  
25 But again, it --

1 CHAIRMAN KEESE: Okay. Thank you.

2 Item 4, then, is over. We will go next  
3 to Item 10, and I would ask for a motion to add  
4 this to the agenda.

5 COMMISSIONER LAURIE: Mr. Chairman --  
6 I'm sorry. Commissioner Rosenfeld moved. I would  
7 second, based upon the finding that information,  
8 or, strike that.

9 At the time that the agenda was  
10 prepared, information regarding this item was not  
11 available.

12 CHAIRMAN KEESE: That's a motion by  
13 Commissioner Rosenfeld, second by Commissioner  
14 Laurie.

15 All in favor?

16 (Ayes.)

17 CHAIRMAN KEESE: Opposed?

18 Adopted, five to nothing.

19 Now we have on the agenda Item 10, High  
20 Performance School Grant Award. Possible approval  
21 of a Staff recommendation to award two \$250,000  
22 grants to the Oakland Unified School District, and  
23 the Tahoe-Truckee Unified School District, based  
24 on the applications of the competitive evaluations  
25 of applications pursuant to program opportunity

1 notice issued on or about June 11th, 2001, for the  
2 High Performance Schools Grants.

3 Thank you.

4 MR. GARCIA: Good morning,  
5 Commissioners. I'm Al Garcia, and the item before  
6 you --

7 CHAIRMAN KEESE: You've got to get real  
8 -- you've got to --

9 MR. GARCIA: How's that?

10 CHAIRMAN KEESE: Right on top of it.

11 MR. GARCIA: Okay. Good morning,  
12 Commissioners. The item before you is the  
13 approval of Staff's recommendation to award the  
14 two \$250,000 grants, one to Oakland Unified School  
15 District for the San Antonio/Fruitvale project,  
16 which is an elementary school, and other one is to  
17 Tahoe-Truckee Unified School District, for the  
18 Truckee Junior High project.

19 These awards were selected on the basis  
20 of competitive applications, and these -- these  
21 two applications were outstanding.

22 We've also identified some of the other  
23 projects as being Honorable Mentions because of  
24 the -- the high quality of their applications, as  
25 well.

1                   The -- I just wanted to mention that the  
2                   source of the funds is through the National  
3                   Association of Energy Officials grant that  
4                   funneled some DOE money to -- to the Commission,  
5                   and -- anyway, are there any questions on this?

6                   COMMISSIONER PERNELL: Mr. Chairman.

7                   CHAIRMAN KEESE: Thank you. We'll see  
8                   if there's any questions from Commissioner  
9                   Pernell.

10                  COMMISSIONER PERNELL: No questions, Mr.  
11                  Chairman, just a brief statement. And I want to  
12                  commend Mr. Garcia and Mr. Mills for following  
13                  through on this and reviewing a lot of very good  
14                  applications to come up with the two nominees  
15                  that's before us today.

16                  As you know, being a officer in NASEO,  
17                  that we got the funds from the federal government  
18                  by way of the NASEO, and we have since put out the  
19                  solicitation, and there are a lot of other  
20                  possible sites. So -- and the reason I'm saying  
21                  this is when you have your meeting, you might be  
22                  able to encourage them to give us some more funds  
23                  for these particular demonstration projects.

24                  I would also add that the way in which  
25                  we have structured this, through the CHPS

1 organization, is that it is a -- hopefully a  
2 national model that can be replicated throughout  
3 the nation. So I -- I feel very good about what  
4 has transpired over the last year and a half, as  
5 it relates to schools, sustainable buildings,  
6 efficiency schools, and I'm just elated that we've  
7 come this far with that.

8 And I would be prepared to -- to make a  
9 motion, Mr. Chairman, at your discretion.

10 CHAIRMAN KEESE: Motion by Commissioner  
11 Pernell.

12 COMMISSIONER ROSENFELD: Second.

13 CHAIRMAN KEESE: Second by Commissioner  
14 Rosenfeld.

15 Any further comments?

16 All in favor?

17 (Ayes.)

18 CHAIRMAN KEESE: Opposed?

19 Adopted, five to nothing.

20 And I -- in honoring Commissioner  
21 Pernell's request, I will be missing the September  
22 12th meeting because I will be at the NASEO annual  
23 meeting, and this is a topic of conversation, so I  
24 would really appreciate from Staff about a one-  
25 half pager that I could use as reference material

1 to discuss this at that meeting.

2 MR. GARCIA: I'll do that. Okay. Thank  
3 you very much.

4 CHAIRMAN KEESE: Thank you.

5 We will then return to Item 5,  
6 Commission -- Energy Commission Committee and  
7 Oversight.

8 Nothing?

9 Chief Counsel's Report. Other than, I  
10 guess this is an appropriate time to -- to point  
11 out that after this meeting, the Energy Commission  
12 will recess to the third floor conference room and  
13 continue with no business items before us, a  
14 briefing by our legal counsel on conflict of  
15 interest, and other provisions.

16 CHIEF COUNSEL CHAMBERLAIN: Other than  
17 that, Mr. Chairman, I have no report today.

18 CHAIRMAN KEESE: Mr. Larson.

19 EXECUTIVE DIRECTOR LARSON: No report,  
20 except to say that that meeting will be at 11:00  
21 o'clock.

22 CHAIRMAN KEESE: Eleven o'clock. Thank  
23 you.

24 Ms. Mendonca.

25 PUBLIC ADVISER MENDONCA: Thank you, Mr.

1 Chairman. Nothing specific to report today.

2 CHAIRMAN KEESE: Thank you.

3 Any public comment?

4 Seeing none, this meeting is adjourned.

5 (Thereupon, the Business Meeting of the  
6 California Energy Commission was  
7 concluded at 11:40 a.m.)

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## CERTIFICATE OF REPORTER

I, VALORIE PHILLIPS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Business Meeting; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said Meeting, nor in any way interested in the outcome of said Meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of September, 2001.

VALORIE PHILLIPS

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